

Message Text

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PAGE 01 GUATEM 02299 152213Z

ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 FEA-01 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15
STR-04 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01
/094 W

-----160935Z 098173 /22

R 152153Z APR 77

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 5590

UNCLAS GUATEMALA 2299

E.O. 11652: N/A

TAGS: ETRD, EAGR, GT

SUBJ: GSP FIRST YEAR REVIEW

REF: A. GUATEMALA A-016

B. STATE 67507

1. ADDITIONAL POINT CONCERNING EFFECTS OF GSP NOT COVERED IN
REF A. POINT MAY ALSO BE RELEVANT TO GUATEMALA POSITION
UNDER NEW US SUGAR PROGRAM. ACCORDING TO GUATEMALAN SUGAR
EXPORT ASSOCIATION, GUATEMALAN SALES IN 1975 WERE MADE TO
TRADITIONAL US BROKERS IN US. ADVANCE SALES PROVIDED FOR
CONTRACT PRICE FOB GUATEMALAN PORT. NOT UNTIL LATE IN SHIP-
PING SESSION DID GUATEMALAN EXPORTERS REALIZE THAT BROKERS
WERE SELLING SUGAR IN EUROPE RATHER THAN US. SUBSEQUENTLY,
IN 1976, GUATEMALAN EXPORTERS INSISTED BROKERS SHIP TO US
MARKET. MOTIVATION WAS TO ENSURE HISTORICAL POSITION
SHOULD US RETURN TO HISTORICALLY-BASED SUGAR IMPORT PROGRAM.
NONETHELESS, SUGAR IN 1976 WAS ALSO SOLD FOB GUATEMALAN
PORT. THEREFORE, REDUCED TARIFF BECAUSE OF GSP TREATMENT
WAS NOT DIRECTLY RECEIVED BY GUATEMALAN EXPORTERS.

2. UNDER GSP, ALMOST 80 PERCENT OF DOLLAR VALUE OF
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GUATEMALAN EXPORTS IN 1976 WAS SUGAR. ACCORDING TO THE
SUGAR ASSOCIATION, NO GSP INCENTIVE WAS INVOLVED IN THE
DESTINATION SHIFT FROM 1975 TO 1976, NOR DID GUATEMALAN
EXPORTERS RECEIVE A HIGHER PRICE. IT IS
POSSIBLE, OF COURSE, THAT BROKERS MAY HAVE BID HIGHER
FOR GUATEMALAN SUGAR BECAUSE OF ITS EXEMPTION, BUT THIS
POINT OF VIEW CANNOT BE SUBSTANTIATED BY THIS EMBASSY.

COMMENT: THE ABOVE INDICATES THAT THE INCIDENCE OF GSP BENEFITS MAY BE WORTHY OF ATTENTION AND THAT THE SAME EFFECT, FOB SALES CONTRACTS, MAY BE DISADVANTAGEOUS TO A HISTORICAL BASE FOR GUATEMALA UNDER THE NEW US SUGAR PROGRAM.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, GENERALIZED PREFERENCES (TARIFFS)
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977GUATEM02299
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770132-1206
Format: TEL
From: GUATEMALA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770454/aaaabuip.tel
Line Count: 68
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 59f398a4-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 GUATEMALA A-16, 77 STATE 67507
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2797455
Secure: OPEN
Status: NATIVE
Subject: GSP FIRST YEAR REVIEW
TAGS: ETRD, EAGR, GT
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/59f398a4-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009